




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1025871	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1006777
Business name (Company name):	International Beer Breweries Ltd		
Site name:	International Beer Breweries Ltd – Gat Givat Haim Operation		
Site address: <i>(Please include full address)</i>	Givat Haim , M. P. Hefer 3898300	Country:	Israel
Site contact and job title:	Mr. Kobi Hayoun / QA Manager		
Site phone:	+972-4-6368930	Site e-mail:	kobih@gat.co.il
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	04-05/11/19		

Audit Company Name & Logo: 	Report Owner (payer): International Beer Breweries Ltd
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): none

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Roman Baskin, Auditor APSCA number: 21701018

Lead auditor APSCA status: In Good Standing

Team auditor: Roy Gluzman, Auditor APSCA number: 21701433

Interviewers: Roy Gluzman APSCA number: 21701433

Roman Baskin APSCA number: 21701018

Report writer: Roman Baskin

Report reviewer: Rama S (Report Reviewer)

Date of declaration: 05/11/19

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				None Observed
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			1	GE <ul style="list-style-type: none"> Facility has and uses online training centre for employees.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				None Observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			1	GE <ul style="list-style-type: none"> The Labour Union Committee acts at the facility many years.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2		3	NC <ul style="list-style-type: none"> No annual evacuation drill for all shifts A part of medicine is expired GE <ul style="list-style-type: none"> Facility has defibrillator and electrocardiograph available in the premises The factory holds Diphoterine substance for neutralization of chemical burns, if any

									<ul style="list-style-type: none"> New modern ceiling fans and thermo-insulation are installed in the production halls
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				None Observed
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			5	GE <ul style="list-style-type: none"> Employees receive gifts to Jewish New Year, Passover and other holidays The facility granted gifts for family events of employee Employees in all shifts are provided with subsidized meal. Employees after one-year experience are granted by opening of education fund The facility together with the labour committee organizes corporative events
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				None Observed
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				None Observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				None Observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				None Observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				None Observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				None Observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			2	GE

									<ul style="list-style-type: none"> The facility uses modern wastewater treatment plant. The wastewater treatment plant produces biogas that used for steam producing.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				None Observed

General observations and summary of the site:

International Beer Breweries Ltd – Gat Givat Haim Operation is a facility for production of fruit juice and concentrates. Factory produces raw materials for the food and beverage industry and fruit juice for retail selling. Production processes include: Juice extractions line, Aseptic filling lines, non-aseptic filling lines, fresh juice filling line. Factory land size is about 62,000 sqm. The premises is fenced and not shared with any other company. In the premises there are about 17 main buildings. All were found in well maintained condition.

Facility holds below certificates and licenses:

Business License No. 007 issued on 1/01/1975 valid forever.
 Manufacturer License No. 51664 extended until 31/12/2021.
 SI 9301:2007 (Local standard for Management of transport and operational area) Certificate No. 113345 valid until 1/02/2020
 ISO 9001:2015 Certificate No. 118618 valid until 5/04/2020
 ISO 14001:2015 Certificate No. I17929 valid until 3/02/2022
 ISO 22000:2005 Certificate No. I18631 valid until 5/07/2020
 HACCP Certificate I18631 valid until 05/07/2020
 BRC Certificate C0176857 valid until 23 January 2020

HALAL Certificate N G115/MH-AK071563 valid until 15/06/2020

Mr. Amir Kalmar, executive VP, is the facility responsible personal about the Ethical Code.
 Facility is in process to develop a new Ethical Code together with its mother company International Beer Breweries Ltd.
 Ms. Lital Ziv, HR Manager, is a member at the mother company Ethical Board

Facility employees 421 employees, out of which about 29 are agency workers.
 Facility works with well-known local labour agency Mea Ahuz Ltd
 No migrant workers are employed. All employees are of Israeli nationality.

No sub-contractors are employed on site.
Youngest employed worker is 19 years old.

Workers committee is established in site supported by the National Union Histadrut Leumit.
Mr. Shalom Hadjlei acts as chairman of the committee.
Ms. Natali Zigdon is the Union representative
Last elections were conducted on February 2016.
There is no history of disputes or strikes in the facility.

To supplier request auditors avoided from taking photos of production lines.
Attendance records and wage payrolls of the last year (from October 2018 to September 2019) were available. Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).
Wage stubs of October 2019 were not issued yet on day of the audit.
No cases of working hours exceeding the allowed limits were found.
Wage stubs were found clear and understandable and included all required payments.

Production of the facility operates in three shifts from Sunday to Thursday, as follows 07:00 -16:00, 16:00 -23:30, 23:30 -07:00. Workers are provided with 30-minutes break in each shift. Friday morning and Saturday night shifts are organized as per needs and considered as overtime hours.
Facility does not operate in holidays and Saturdays. At least from Friday at 14:00 until Saturday 22:00 the facility is out of operation.
Employees work overtime hours' voluntary. Minimum rate for overtime hour is 125% of standard wage.
Employees receive their time sheets and wage stubs monthly.
Rates for each overtime time hour is detailed on timesheet.

Total of 26 employees were sampled for interviews, 20 male and 6 female in accordance to gender relativity in the entire workforce. 6 employees were interview personally (1 female and 5 male) and 20 employees were interviewed in 4 groups of 5 employees each.
No reasons for concern were raised during interviews.
Attitude of management to the audit process was favourable and supportive.

Audit was conducted as 2.5 Man-days audit (1 day X 2 auditors + 0.5 day X 1 auditor)

NC's

The two (2) non-compliance were noted during the audit in Health and Safety (3) and included in the CAP:

Observation

No Observations were noted during the audit.

GE

Total 10 Good Examples were noted during the audit:

- One (1) in Management systems and code implementation;
- Three (3) in Health and Safety section;
- Five (5) in Wage and Benefits section;
- Two (2) in Environment Section

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

Site Details																																
A: Company Name:	International Beer Breweries Ltd																															
B: Site name:	International Beer Breweries Ltd – Gat Givat Haim Operation																															
C: GPS location: (If available)	GPS Address: Givat Haim (Me'uchad), Center District, Israel as per Google Map	Latitude: 32.390234 Longitude: 34.933773																														
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License No. 007 issued on 1/01/1975 valid forever.																															
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Production of fresh juice, frozen concentrate, nectars, fruit based soft drinks and aseptic preserved sterile fruit and vegetable products.																															
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Factory land size is about 63,000 sqm. The premises is fenced and not shared with any other company. In the premises there are a few one-floor main buildings in the following description:</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Management office building</td> <td>made of concrete and building blocks</td> <td>About 500 sqm 2 floors + 2200 sqm in 1 and 2 floors 2 floor</td> </tr> <tr> <td>Basement</td> <td>Server room, It department, office rooms</td> <td></td> </tr> <tr> <td>1st floor</td> <td>Office rooms</td> <td></td> </tr> <tr> <td>2nd floor</td> <td>Office rooms</td> <td></td> </tr> <tr> <td>Lab building</td> <td>made of concrete and building blocks</td> <td>About 70 sqm in 1 Floor</td> </tr> <tr> <td>Canteen Building</td> <td>made of concrete and building blocks</td> <td>About 300 sqm and 100 sitting places in 1 floor</td> </tr> <tr> <td>Lockers and Toilets building</td> <td>made of concrete and building blocks</td> <td>About 150 sqm</td> </tr> <tr> <td>Finished Goods Warehouses</td> <td>Panels industrial roofing</td> <td>About 2400 sqm in 2 buildings</td> </tr> <tr> <td>Refrigerator WH</td> <td>Panels industrial roofing</td> <td>About 5700 sqm in 5 buildings</td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	Management office building	made of concrete and building blocks	About 500 sqm 2 floors + 2200 sqm in 1 and 2 floors 2 floor	Basement	Server room, It department, office rooms		1 st floor	Office rooms		2 nd floor	Office rooms		Lab building	made of concrete and building blocks	About 70 sqm in 1 Floor	Canteen Building	made of concrete and building blocks	About 300 sqm and 100 sitting places in 1 floor	Lockers and Toilets building	made of concrete and building blocks	About 150 sqm	Finished Goods Warehouses	Panels industrial roofing	About 2400 sqm in 2 buildings	Refrigerator WH	Panels industrial roofing	About 5700 sqm in 5 buildings
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	Raw Material WH	Panels industrial roofing	About 2500 sqm
	Production lines	made of concrete and building blocks	About 6100 sqm in 4 buildings
	Maintenance	Panels industrial roofing	About 1750 sqm
<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: The production site is not a new one, but it seems well maintained. No cracks or loose fittings marks were observed in building structures during tour.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: the facility holds Business License and Fire and Hazardous Substances Permits issued by local and state authorities. The permits cover structural evaluation</p>			
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season: (if applicable)	Peak season is from October to March		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Factory produces raw materials for the food and beverage industry and fruit juice for retail selling. Production processes include: Juice extractions line, Aseptic filling lines, non-aseptic filling lines, fresh juice filling line.		
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union: Histadrut Leumit <input checked="" type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other – Safety Committee <input type="checkbox"/> None one		
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p>Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:45 Day 1 Time out: 16:45	Day 2 Time in: 09:15 Day 2 Time out: 15:15	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	2.5 Man-days (1 day X 2 auditors + 0.5 day X 1 auditor)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR <i>(Name and job title)</i>	Mr. Kobi Hayoun / QA Manager		
H: Is further information available <i>(If yes, please contact audit company for details)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	4 th and 5 th February 2018		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	Not Applicable		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No Labour union representative was presented at the facility in the day of the audit		

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	311	0	29	0	0	0	0	340
Worker numbers – female	81	0	0	0	0	0	0	81
Total	392	0	29	0	0	0	0	421
Number of Workers interviewed – male	18	0	2	0	0	0	0	20
Number of Workers interviewed – female	5	0	1	0	0	0	0	6
Total – interviewed sample size	23	0	3	0	0	0	0	26



A: Nationality of Management	Israeli	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: Israeli B2: Nationality 2: N/A B3: Nationality 3: N/A</p>	<p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: N/A</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 - 100%</p> <p>C1: approx % total workforce: Nationality 2 - N/A</p> <p>C2: approx % total workforce: Nationality 3 - N/A</p>	
D: Worker remuneration <i>(management information)</i>	<p>D: 0% workers on piece rate</p> <p>D1: 10% hourly paid workers</p> <p>D2: 90% salaried workers</p> <p>Payment cycle:</p> <p>D3: __0__% daily paid</p> <p>D4: __0__% weekly paid</p> <p>D5: __100__% monthly paid</p> <p>D6: __0__% other</p> <p>D7: If other, please give details: N/A</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 groups X 5 employees
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 5 D2: Female: 1
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No common compliances were arisen by workers during the audit
I: What did the workers like the most about working at this site?	Auditor impression was that employees really like their workplace and their management attitude. Auditor himself noted a very favourable atmosphere in the facility.
J: Any additional comment(s) regarding interviews:	No claims or complained were made. The workers are aware their rights and
K: Attitude of workers to hours worked:	A part of interviewed workers was not satisfied in small quantity of overtime work hours.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

L1: If yes, please give details:

M: Attitude of workers:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

Workers were generally pleased with their workplace. They regard it a steady source of income they can count on to support them.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

Representative of the worker committee was interviewed and expressed satisfactory with working terms between management and committee

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The management welcomed the audit and did its best to aid the audit progress in all its stages. All available documentation requested for review was provided timely. Locked areas encountered during the audit (warehouse of chemicals, electrical rooms) were timely opened and available for inspection. At the end of the audit, all the findings were accepted by the factory management

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The facility implements and maintains systems for delivering compliance to Universal Rights and SEDEX Code. They have their own social compliance policy that covers same elements as in the code.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

During the interviews employees showed their understanding of Ethical Code.

Gat Food Ethical Code.

Internal procedures for hiring, wage and benefits, work hours, prevention of abuse, discrimination, equal rights and opportunities etc.

Documents of internal and external audits, correspondence with suppliers.

Details:

Mr. Amir Kalmar, executive VP, is the facility responsible personal about the Ethical Code.

Facility is in process to develop a new Ethical Code together with its mother company International Beer Breweries Ltd

Ms. Lital Ziv, HR Manager, is a member at the mother company Ethical Board

The facility has a system of detailed ethical procedures. Employees were trained by Human Resource personnel in May 2019. The training was dedicated to all social aspects, including forced labour, child labour, discrimination, harassment & abuse, work hours and wages regulations.

The company Ethical Code is communicated to their suppliers via contracts, agreements, web sites and correspondence.

The facility has anonymous reporting/grievance channels.

The activity of the facility, including social aspects, is annually assessed by external auditors.

Any other comments: None

Status: Compliant

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility has their own Integrated Quality Management Policy, which includes ethical, health, safety and environmental aspects and runs in parallel lines to the ETI and local legislation</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Lital Ziv Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Complaint box is posted near HR Management office and Hot Lines for responsible personnel are published on notice boards throughout of the facility.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details The facility provided employees with anonymous canals for reporting. All applies are investigated, discussed with relevant personnel. Corrective actions are implemented and their effectiveness is traced. The company holds set of social procedures and acts in according to them</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: HR offices due to their included data are regarded as restricted area. Employee's personal files are kept locked as confidential material.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: None Observed</p> <p>Local law or ETI/Additional elements / customer specific requirement: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): None Observed</p>	<p>Objective Evidence Observed: Not Applicable</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2018 11 %	A2: This year: 2019 6 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	Less than 1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2018 3 %	C2: This year: 2019 3.2 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	About 3%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: HS responsible personnel keeps full log of all accidents occurred in the premises.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2018 Number: 1.3	F2: This year: 2019 Number: 0.9
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0.5	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 2018 No data	H2: This year: 2019 11.0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0% workers	I2: 12 months 0% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 0% workers

0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Business License No. 007 issued on 1/01/1975 valid forever.
- Manufacturer License No. 51664 extended until 31/12/2021.
- SI 9301:2007 (Local standard for Management of transport and operational area) Certificate No. 113345 valid until 1/02/2020
- ISO 9001:2015 Certificate No. 118618 valid until 5/04/2020
- ISO 14001:2015 Certificate No. I17929 valid until 3/02/2022
- ISO 22000:2005 Certificate No. I18631 valid until 5/07/2020
- HACCP Certificate I18631 valid until 05/07/2020
- BRC Certificate C0176857 valid until 23 January 2020
- HALAL Certificate N G115/MH-AK071563 valid until 15/06/2020
- Ethic policies and procedures.
- Trainings records and employee's computerized training system
- Various procedures for hiring wage and benefits, work hours, prevention of abuse, discrimination, equal rights, opportunities etc.
- Documents of internal and external audits of BRC, correspondence with suppliers.
- Personnel files of employees.

Details:

The facility implements and maintains systems for delivering compliance to ETI and Clients' Codes. Facility has its own social compliance policy that covers same elements as in the code. Mr. Amir Kalmar, executive VP, is the facility responsible personal about the Ethical Code. Facility is in process to develop a new Ethical Code together with its mother company International Beer Breweries Ltd – Gat Givat Haim Operation Ms. Lital Ziv, HR Manager, is a member at the mother company Ethical Board During the interviews, employees showed their understanding requirements of Ethical Code. It was stated that the managers are available for any applies during a day. Open Door policy is broadly used at the facility.

Any other comments: None

Status: Compliant

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fines/prosecutions were reported or found in open sources.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Noted during the documents review and interviews with workers and the management.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	During the interviews it was stated that employees are treated with respect. No claims were arisen on unfair behaviour of managers. No issues of sexual harassments, verbal of physical abuse were reported.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Annual trainings are conducted with managers and workers
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Annual training on facility's internal policy and company Ethical Code was provided to all employees. Training records were available. Employees during interview reflected understanding of their labour rights
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: the submitted and reviewed documents: SI 9301:2007 (Local standard for Management of transport and operational area) Certificate No. 113345 valid until 1/02/2020 ISO 9001:2015 Certificate No. 118618 valid until 5/04/2020 ISO 14001:2015 Certificate No. I17929 valid until 3/02/2022 ISO 22000:2005 Certificate No. I18631 valid until 5/07/2020

	<p>BRC Certificate C0176857 valid until 23 January 2020 HACCP Certificate I18631 valid until 05/07/2020 HALAL Certificate N G115/MH-AK071563 valid until 15/06/2020</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Lital Ziv acts as HR Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Mr. Amir Kalmar, executive VP, is the facility responsible personal about the Ethical Code.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' information kept at HR office is regarded as confidential.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: the risk assessment periodically (at least – annually) is carry out.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1Please give details: the risk assessment periodically (at least – annually) is carry out.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: the company conducts suppliers' assessments before to accept them as business partners. The assessment includes review of legal status of potential partners and social aspects.</p>
Land rights	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Land is owned by facility</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	O1: Please give details: Facility receives periodic newsletters from their mother company legal dept.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Not Applicable. The company acts in accordance with local legislation. The matter of FPIC is not relevant to Israel. There are no such categories of population.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: There is a purchase agreement between the facility and the Kibbutz from which the land was bought.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not Applicable
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: Not Applicable The facility stayed in the same perimeter since it was founded in 1971.

Non-compliance:	
<p>1. Description of non-compliance:</p> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:	<p>Objective evidence observed: Not Applicable</p>
<p>None Observed</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	

Observation:	
<p>Description of observation: None Observed</p>	<p>Objective evidence observed:</p>

<p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Not Applicable</p>
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<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE):</p> <p>Facility has online training centre for employees. The employees are required to go through exams for assessment of the trainings' effectiveness</p>	<p>Objective evidence observed:</p> <p>Observed during documents' review and stated during interviews with workers and the management</p>

1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Facility Ethical Code

Personal files of employees, labour contracts, working conditions' notices,

Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).

Details:

No guards are present within facility area. Only one guard is present at factory entrance for security control.

During interviews, employees stated that that they are free to leave the premises at the end of the shift.

During interviews and facility tour, it was not that employee's movement is not impended.

Employees confirmed that they work at the facility with their own will.

Overtime work is not mandatory.

Employees have free access to toilets, drinkable water, etc. (noted during the tour and interviews).

No fees, deposits were required.

Employees are free to keep their identity papers.

Any other comments: None

Status: Compliant

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
- No

A1: If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation

- Yes
- No

B1: If yes, please give details and category of worker affected:

<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: the facility acts in accordance with the local legislation.</p>
<p>E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: The factory is located in Israel and does not have any business based in UK.</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Confirmed during the interview with workers, security guards and the management</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility checks conditions of employment of the labour agency's workers.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: the facility performs monthly review of sampled wage stubs of the labour agencies' workers.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None Observed</p> <p>Local law and/or ETI requirement Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	Objective evidence observed: Not Applicable

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Facility Ethical Code

Freedom of Association and Hiring procedures.

Documents of internal and external audits, correspondence with suppliers Personal files of employees, labour contracts,

Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).

Details:

Workers committee is established in site supported by the National Union Hahistadrot Haleumit.

Mr. Shalom Hadjlei acts as chairman of the committee.

Ms. Natali Zigdon is the Union representative

Last elections were conducted on February 2016.

The next election to Worker Committee is planned to be in April – May 2020.

There is no history of strikes in the facility.

The committee is about to start negotiations with managements about the work terms agreement in 2020.

Safety Committee is also established in facility in accordance with Israeli legislation.

The factory also practices open door policy.

Grievance box is posted at the facility.

Any other comments: None

Status: Compliant

<p>A: What form of worker representation/union is there on site?</p>	<input checked="" type="checkbox"/> Union (name): Histadrut Leumit <input checked="" type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify): Safety Committee <input type="checkbox"/> None	
<p>B: Is it a legal requirement to have a union?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>C: Is it a legal requirement to have a worker's committee?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>D1: Please give details: Safety Committee is established at the facility and meets at least 8 times per year. Round tables meeting between management and 12 different employees every 2 months HR Dept. meets periodically with different focus groups to learn about employees view of different aspects of work. Employees can approach management during one workday. Hot line telephone numbers of Economic Ministry, HR manager are published on the notice board</p> <p>D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>E1: Please give details: Committee is provided with a room and when needed provide with permission to use meeting rooms and other areas of the facility.</p>	
<p>F: Name of union and union representative, if applicable:</p>	<p>Histadrut Leumit Ms. Natali Zigdon</p>	<p>F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Not Applicable</p>	<p>G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Mr. Shalom Hadjlei acts as chairperson of the committee. Employees confirmed their awareness in the matter</p>
<p>I: Were worker representatives freely elected?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Date of last election: Last elections were conducted on February 2016</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

<p>K: Were worker representatives/union representatives interviewed?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: One. Mr. Yossi Levi, Vice chairman of the committee, was interviewed.</p>	
<p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p>	<p>The collective bargain agreement between the worker committee and the management provides better work condition to employees that required by the law. Employees receive annual holidays, including abroad. They have opportunity to join to Education Fund. They are involved in various corporative events as training days, which organized out of the facility etc. The committee is in process of preparation to election and negotiations with managements in order to improve work terms agreement in 2020.</p>	
<p>M: Are any workers covered by Collective Bargaining Agreement (CBA)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>If Yes, what percentage by trade Union/worker representation</p>	<p>M1: 100% workers covered by Union CBA</p>	<p>M2: 100% workers covered by worker rep CBA</p>
<p>M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments:</p>	<p>Objective evidence observed: Not Applicable</p>

Not Applicable	
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Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>The Labour Union Committee acts at the facility many years. Elections are organized regularly with no the management influence. Collective Bargain Agreement (CBA) between the workers committee and the management acts at the facility. The members of labour committee is provided with time for their activities.</p>	<p>Objective evidence observed:</p> <p>Reported on interviews with members of Labour Committee. Noted during the tour</p>

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements. **However, three non-compliances were observed, as detailed below.**

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Business License No. 007 issued on 1/01/1975 valid forever.
 Manufacturer License No. 51664 extended until 31/12/2021.
 SI 9301:2007 (Local standard for Management of transport and operational area) Certificate No. 113345 valid until 1/02/2020
 ISO 9001:2015 Certificate No. 118618 valid until 5/04/2020
 ISO 14001:2015 Certificate No. 117929 valid until 3/02/2022
 BRC Certificate C0176857 valid until 23 January 2020
 ISO 22000:2005 Certificate No. 118631 valid until 5/07/2020
 Annual Safety Program
 Minutes of Safety Committee meetings
 Inspection certificate of lifting devices valid until November 2020
 Fire extinguishers' and fire hoses inspection report issued on valid until August 2020
 Inspection certificates of annual tests of electrical high voltage equipment boards issued on October 2019
 Records of online training system "Yanshuf":

Details:

Safety Committee is established and completed 12 meetings during 2018 and 8 meeting during 2019
 Annual training for forklift drivers was provided in a few groups during in 2019.
 Annual training of electricians was conducted in June 2019
 Work in Height training was provided to employees in total in several dates in 2018 and 2019, valid two years.

90 employees were trained for safety driving on personal vehicles in July-August 2019.
 First Aid Training was provided to 16 employees in 2018 and 2019, valid two years. The trainings included using of a defibrillator and electrocardiograph.
 Crane operators were trained on 12/08/19. Total 14 workers are trained.
 Emergency Team training was provided in June 2019
 Smoke detection systems and automatic fire extinguisher in electrical boards were inspected were going through annual test in the current year.
 Evacuation plans were posted throughout of the facility.
 Employees, including contractor's workers, are provided with PPE as gloves, ear plugs, overalls and safety boots free of charge
 Potable water is available to workers (coolers with additional water filtration).
 Emergency exits are well and visible marked

Any other comments: None

Status: Needs Improvements

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Policies are included in Ethical Code. Internal policies and trainings are provided to employees both by management and by training programs. Facility uses "Yanshuf" System to follow-up on all training requirements. The system provides visual alerts before deadline of a certain training is due and restrict employees with invalid training from work until training completed. The system was reviewed during the audit.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: All the policies are available to employees.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: The facility looks well maintained. No cracks in the walls or ramshackle building additions were noted during the tour.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors are provided with short HS training and have to confirm understanding with a signature.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: It is not mandatory to have medical room according to local legislation. The nearby Kibbutz has Health Clinic and closest hospital "Hilel Yafe" is 20 min from facility.</p>

F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 16 employees from all shifts were trained as first aiders in 2018 and 2019
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Facility request business license, drivers' licenses and bus licenses as part of supplier assessment process.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Employees are provided with a locker room
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Facility has annual Safety Program that includes risk assessment. The program is reviewed and updated each year and serves as base for planning the annual training log and safety plan.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility does not consume natural resources. Wastewater is treated in according to legal requirements. The most of wastewater are re-used for irrigation. Water is provided by the national water company Mekorot. There is no consumption of woods or any air emissions, except diesel forklifts.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemicals are used. Facility has ISO 14001: 2008 certificate and periodically audited for its environmental system.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer

code:

During the tour it was noted that a part of medicines in First Aid kits was expired

Local law and/or ETI requirement

Safety at Work Regulations (First Aid in the workplace), 1988

5. Duties in charge of the equipment. The responsible person shall ensure:

-the items specified in the table1 of the Regulation shall be found available at any time in quantities prescribed by the Regulation.

ETI Code:

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far

Objective evidence

observed:

Photo No 1- 3

<p>as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended to keep all medicines in First Aid kits within validation</p> <p>Action by: Mr. Kobi Hayoun, QA Manager Timescale: 30 days Verification method: Desktop review Management response: Accepted the finding.</p> <p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: During the management and workers interviews and document review it was noted that the facility organized evacuation drill only for one shift in the last year</p> <p>Local law and/or ETI requirement In accordance with Work Safety Ordinance (new Version) 5730-1970, article 15, par. 126: ...effective steps including escape drill shall be taken to ensure that all the persons employed are familiar with the means of escape and their use in case of fire and with the routine to be followed in case of fire...</p> <p>ETI Code: 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>Recommended corrective action: It is recommended to organize evacuation drills for all employees at least annually</p> <p>Action by: Mr. Kobi Hayoun, QA Manager Timescale: 30 days Verification method: Desktop review Management response: Accepted the finding.</p>	<p>Noted during interviews and document review</p>
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Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>

Good Examples observed:

<p>Description of Good Example (GE):</p> <ol style="list-style-type: none"> 1. Facility has defibrillator available in the premises, required by local legislation only in places that accommodate more than 500 persons. The facility also possesses an electrocardiograph and trained first aiders to use the devices 2. The factory is provided with special equipment and Diphoterine substance for neutralization of chemical burns, if any. 3. New modern ceiling fans and thermo-insulation are installed in the production halls. 	<p>Objective Evidence Observed:</p> <p>1- 3. Noticed during tour. Please refer to Photo Segment</p>
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4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Facility Ethical Code
- Hiring procedure.
- Personal files of employees
- The list of the facility's employees including dates of employment and birth date.

Details:

The facility does not employ minors, including the contractor's workers.
 The youngest employee is 19 years old.
 No historical child labour was noted during the documents review.
 Employees' personal files include photocopied ID card. The card lists the employee's name, citizenship, household address and the date of birth.

Any other comments: None

Status: Compliant

A: Legal age of employment:	Legal minimum: 15 years old with limitations; 18 years old.
B: Age of youngest worker found:	19 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None Observed</p>	<p>Objective Evidence Observed: Not Applicable</p>

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key information\)](#)

ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Factory Collective Bargain Agreement
 Factory Ethical Code
 Wage and Benefits procedures.
 Social Policy, Personal files of employees
 Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).

Details:

Benefits such as social insurance, annual leave, illness leave are provided to workers.
 Employees are paid on time (noted during interviews) no later than the 9th of the month.
 All employees are provided with written agreement with the facility. The agreements contain all details information about their employment conditions in respect to wages, benefits, pensions, annual leaves etc.

Any other comments: None

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:
 None Observed

Objective evidence observed:

Not Applicable

<p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	
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Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <ol style="list-style-type: none"> 1. Employees receive gifts to Jewish New Year, Passover and other holidays 2. The facility granted gifts for special events and holidays: wedding of employees and their children to birthdays of employees, birth of a child etc. 3. Employees in all shifts are provided with subsidized meal. 4. Employees after one-year experience are granted by opening of education fund 5. The facility together with the labour committee organizes corporative events, including weekends in resort of Red, Dead or Tiberius Seas 	<p>Objective Evidence Observed:</p> <p>1- 4. Noted during interviews and documents review</p> <p>5. Noted during the interview</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
<p>A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i></p>	<p>Legal maximum: 9 regular hours per day and 42 per week since April 1st, 2018</p>	<p>A1: up to 8.6 regular hours per day. Total up to 42 regular hours per week</p>	<p>A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

<p>B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i></p>	<p>Legal maximum: 16 per week since April 1st, 2018. The length of a work day cannot exceed 12 work hours including overtime</p>	<p>B1: 16 overtime work hours per week</p>	<p>B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: ILS 29.12 gross per hour ILS 5300 gross per month</p>	<p>C1: ILS 29.12 gross per hour; ILS 5300.00 gross per month</p>	<p>C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: 125% of standard hour's wage for first two overtime hours and 150% for all consecutive hours</p>	<p>D1: 125% of standard hour's wage for first two overtime hours and 150% for all consecutive hours</p>	<p>D2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

<p align="center">Wages analysis: <i>(Click here to return to Key Information)</i></p>		
<p>A: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>A1: If No, why not?</p>	<p>Not Applicable</p>	
<p>B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i></p>	<p>Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).</p>	
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>C1: If Yes, please give details: In accordance with Minimum Wage Law, 1987 adjusted minimum wage exists for workers with a disability and for minors.</p>
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	<p>D1: If No, please give details: All workers (100%) receive at least the state minimum wage as stated above in the table</p>

<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> The minimum wage paid at the facility (for direct employees and local labour agencies worker) is equals to the State Minimum wage: ILS 29.12 gross per hour; ILS 5300.00 gross per month</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: <u>0</u>% of workforce earning under minimum wage F2: <u>3</u>% of workforce earning minimum wage F3: <u>97</u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> No bonus scheme are established</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Health Fee, Pension fund, Income Tax, National Insurance</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Health Fee 2. Pension fund 3. Income Tax 4. National Insurance 5. Union Fee 6. Education fund Please describe: All deduction are made in compliance with acting legislation</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. None Please describe: the facility acts in according to acting legislation</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	

<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Each employee registers his own time using Magnetic ID Card. Time records present all time from employee arrival to his exit.</p>
<p>M: Is there a defined living wage: <i>This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: Not Applicable</p>
<p>M2: If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other - please give details: Not Applicable</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Collective bargain agreement between the management and the worker committee the minimum wage was increased by Israeli government three times during 2017 - 2019 year from ILS 26.88 to ILS 29.12 gross per hour (above +8.3%).</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: it was observed during the document review and confirmed during interviews.</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain: Not Applicable</p>

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).

Personal files of the employees.

Working Hours, Wage and Benefits internal procedures.

Notices on the notices boards

Details:

Employees work overtime hours' voluntary (noted during interviews).

Employees receive their time sheets and wage stubs monthly.

Rates for each overtime time hour is detailed on timesheet. Minimum rate for overtime hour is 125% of standard wage.
 Facility does not operate in holidays and Saturdays. At least from Friday at 14:00 until Saturday 22:00 the facility is out of operation.
 The policies and extraction of labour laws are available in the site and posted on the notice boards throughout the facility. Employees confirmed they are familiar with local legislation about maximum allowed work hours and other aspects of working hours.

Any other comments: None

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Status: Compliant

Objective evidence observed:

Not Applicable

Observation:

Description of observation:

None Observed

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

None Observed

Objective Evidence Observed:

Not Applicable

Working hours' analysis <i>Please include time e.g. hour/week/month</i> <i>(Go back to Key information)</i>					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	<i>Describe:</i> Facility has electronic clock system in which each employee registers his own in-and-out time independently using personal magnetic card.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.</i> Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>D1: If YES, please complete as appropriate:</i>			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		Not Applicable			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>E1: If yes, please detail hours, %, types of workers affected and frequency</i> Please give details:			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
	<i>Maximum number of days worked without a day off (in sample):</i>				
	Six (6)				

Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: Not Applicable
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: Not Applicable
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: September 2019: (Recent period/month) 3.4 per day / 16.0 per week / 55.7 per month December 2018: (Peak period/month) 3.6 per day / 5.3 per week / 13.6 per month April 2019: (Non-peak period/month) 2.1 per day / 11.3 per week / 28.6 per month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	12%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Confirmed during interviews with workers and the managers
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 125 % of standard wage in the two first overtime hours and 150% in all consecutive hours.

<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>N1: If yes, please describe % of workers & frequency:</i> Overtime works are paid for all workers together with month wage</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (<i>May be standard wages above minimum legal wage, with no/low overtime premium</i>) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>Not Applicable. The minimum OT premium rate equals to 125%</p>	
	<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
<p>Not Applicable. Total work hours did not exceed legal permit 58 work hours per week</p>		
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Personal files of sampled employees were reviewed.

Factory Ethical Code.

Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).

Details:

Total of 26 employees were sampled for interviews, 20 male and 6 female in accordance to gender relativity in the entire workforce. 6 employees were interview personally (1 female and 5 male) and 20 employees were interviewed in 4 groups of 5 employees each.

No claims of any kind of discrimination were raised during interviews or documents review.

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement.

Employees are hired from nearby area.

Any other comments: None

Status: Compliant

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: 50% A2: Female: 50 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	Four (4) Female employees are managers of Purchase, International Marketing, Development and Human Resource departments
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found C1: Please give details: Not Applicable. No any evidence of discrimination were noted/reported during the audit
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Professional Development	
A: What type of training and development are available for workers?	There is internal training program that offers employee opportunity to advance in the roles he fills in the facility and promote his rank. Promotion is based employee personal efforts and his pro-active approach to advance.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Decision is based on facility's needs and personal initiative of employees. Training log is based on role description and safety risk assessment. If no, please give details:
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed Local law and/or ETI requirement: Not Applicable Recommended corrective action: Not Applicable	Objective evidence observed: Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement:	Objective evidence observed: Not Applicable

<p>Not Applicable</p> <p>Comments: Not Applicable</p>	
--	--

Good Examples observed:	
<p>Description of Good Example (GE): None Observed</p>	<p>Objective Evidence Observed: Not Applicable</p>

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Ethical procedures.

Hiring and Termination Procedures

Personal Files of Employees, including those employed via local labour agencies.

Work contracts

Details:

The facility employs workers in accordance with the labour laws (noted in document review and interviews).

The facility signs labour contracts with employees.

No subcontracting or homeworking are used by the site.

Every new employee is automatically covered by the CBA of the branch, based on his job description.

All social payments required from employer are paid and specified on wage slip.

Employees are free to terminate their employment whenever they decide.

Any other comments: None

Status: Compliant

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None Observed</p>	<p>Objective Evidence Observed: None Observed</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p>

	A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected: Not Applicable
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other - C1: If other, please give details:
D: If any checked, give details:	Not Applicable

Migrant Workers: Not applicable <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	No migrants are employees on site
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not Applicable C2: Observations: Not Applicable o migrants

<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p>Not Applicable</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>D1: If yes, number and example of roles:</p>
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 - If other, please give details:
C: If any checked, give details:	Not Applicable

Agency Workers (if applicable)	
<p><i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i></p>	
A: Number of agencies used (average): one (1)	A1: Names if available: Mea Ahuz Ltd

B: Were agency workers' age / pay / hours included within the scope of this audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Agreement between the facility and local labour agency was submitted.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Human Resource manager monthly checks of sampled payroll records from each agency to verify accuracy.

Contractors: <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	Not Applicable
C: Do all contractor workers understand their terms of employment?	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:
D: If Yes , please give evidence for contractor workers being paid per law:	Not Applicable

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Production records.
Quality Control records

Details:

It was verified through documents review, factory tour, management interview and employees interviews that no sub-contractors and home-working were used by this factory.

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
None Observed

Local law and/or ETI /Additional Elements requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI/Additional elements requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	Objective Evidence Observed: Not Applicable

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: based on a simple calculation there is no unrecorded work hours or undeclared sub-contracting
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details: Not Applicable
C: Number of sub-contractors/agents used:	Zero (0)
D: Is there a site policy on sub-contracting?	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	Not Applicable

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male: N/A	B2: Female: N/A	Total: N/A
C: Are homeworkers employed direct or through agents?	Not Applicable <input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
	Not Applicable		
D: Is there a site policy on homeworking?	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	Not Applicable		
F: What processes are carried out by homeworkers?	Not Applicable		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Not Applicable		
H: Are full records of homeworkers available at the site?	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No		

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The grievance box is posted in the facility. Worker Committee acts at the facility. Web site of the company exists and have option to contact them. Open door policy is broadly used. The workers can request a personal talk with managers during the day. Hot line phone numbers of Economic Ministry and responsible person for prevention of sexual harassment are posted on the notice boards at the facility.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>It was confirmed during the interviews</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Worker committee members, Grievance box, hot lines, open door policy, Safety Committee meetings</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Other Details: all employees and visitors of the facility</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:
Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
Factory Ethical Code
Personal files of employees.
Work orders, documents, internal rules on the notice boards.
Wage stubs and time sheets of 26 employees were sampled from the following three months: September 2019 (recent period), December 2018 (peak period) and April 2019 (non-peak period with holidays).
Personal files of the employees.

Details:
No inhumane or harsh treatment was noted during the audit or reported during interviews.

Any other comments: None

Status: Compliant

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed: Not Applicable</p>
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Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	Objective Evidence Observed: Not Applicable

10. Other Issue areas: 10A: Entitlement to Work and Immigration

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Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents' review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Factory Ethical Code
 Work Hours, Wage and Benefit, and other internal procedures.
 Personal files of employees
 Agreement with the local labour agency

Details:

The facility employs only local citizens. All interviewed workers expressed their positive relation to the facility.

Any other comments: None

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 None Observed

Objective evidence observed:
 Not Applicable

Local law and/or ETI /Additional Elements requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI/Additional Elements requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good examples observed:	
Description of Good Example (GE): None Observed	Objective Evidence Observed: Not Applicable

10. Other issue areas 10B4: Environment 4–Pillar

[\(Click here to return to summary of findings\)](#)

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site’s efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

To complete ‘current systems’ Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Based only on the site observation, documents’ review and interviews with the management and workers it was noted that the facility acts in compliance with ETI and legal requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Factory Ethical Code

Business License No. 007 issued on 1/01/1975 valid forever.

Manufacturer License No. 51664 extended until 31/12/2021.

ISO 14001:2015 Certificate No. 117929 valid until 3/02/2022

BRC Certificate C0176857 valid until 23 January 2020

Energy Survey dated 12/2016, valid five years

State Permit in as per Clean Air Law was issued on 15/06/2014, valid 7 years

Hazardous Substances Permit No. 80026 valid 09/06/2020

Monthly test records of sewage by municipality subcontractor
 Records of the water tests.
 Agreement with the specialized service provider for evacuation hazardous waste

Details:

The facility employs Mr. Tom Shefa, MS, qualified environmental engineer.
 Factory has ISO 14001 management system to manage all environment aspects of its activity.
 The facility holds State permit for Hazardous Substance.
 Mekorot company provides water supply from state water system.
 Facility segregates plastic, metal and carton waste and sends them for recycling.
 Facility has treatment centre for waste water. Treated water are controlled and used for agricultural irrigation system of nearby fields.
 Treatment centre produce biogases that are used as fuel for the boilers unit.
 Chemical waste is collected by special service provider "Tabib" and sent to treatment.
 General garbage is evacuated by Municipal service company.

Any other comments: None

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local
 NC against customer code:
 None Observed

Local law and/or ETI/Additional Elements requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:
 Not Applicable

Observation:

Description of observation:

Local law or ETI/Additional elements requirements:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:
 Not Applicable

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Good examples observed:	
<p>Description of Good Example (GE):</p> <ol style="list-style-type: none"> 1. The facility uses modern wastewater treatment plant. The most wastewater is return to water agricultural fields 2. The wastewater treatment plant produces biogas that used for steam producing. The facility covers about 20% of their needs in steam by burning of the biogas. 	<p>Objective Evidence Observed:</p> <p>1 -2. Observed during facility tour and noted during the interviews. Please refer to Photo Segment</p>

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Tom Shefa / Environment Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: As part of the ISO 14001 management system
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: ISO 14001:2015 Certificate No. I17929 valid until 3/02/2022
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, on factory portal.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory has defined aims, goals and annual plan in order to achieve them.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Not applicable to the nature of facility
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Not applicable to the nature of facility
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Details: Business License No. 007 issued on 1/01/1975 valid forever. Manufacturer License No. 51664 extended until 31/12/2021. ISO 14001:2015 Certificate No. I17929 valid until 3/02/2022 BRC Certificate C0176857 valid until 23 January 2020 Hazardous Substances Permit No. 80026 valid 09/06/2020
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Chemicals are purchased per production plan. Chemical waste is moved by

	special service provider "Tabib" and delivery notes are recorded.	
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Included in contract survey performed by facility on engagement by new clients.	
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Included in facility's annual aims and goals.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Facility collect plastic, metal and carton waste and send it to recycling. Chemical waste is removed by special service provider "Tabib". Records of all waste evacuations are maintained and analysed.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Water is provided by national water company "Mekorot". Meters are installed and record consumption rate. Electricity is provided by national electric company. Additional energy is provided by use of heavy fuel oil and diesel oil. All consumption rates are recorded and maintained.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: During annual suppliers' assessment. However, currently there are no subcontractors working on site.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: 2018	Current Year: Please state period: 2019
Electricity Usage: <i>Kw/hrs</i>	17,872,030	13,892,808 in period January - October
Renewable Energy Usage: <i>Kw/hrs</i>	20.7%	20%
Fuel Oil Usage: <i>tons</i>	3861	2983 in period January-October. Annual estimated - 3500
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	Not applicable	Not applicable

Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> Mekorot – national water company 	<ul style="list-style-type: none"> Mekorot – national water company
Water Volume Used: <i>(m³)</i>	703,123 m3	Estimated, annual 650,00
Water Discharged: <i>Please list all receiving waters/recipients.</i>	Local sewage system	Local sewage system
Water Volume Discharged: <i>(m³)</i>	660,322	Estimated, annual 610,000
Water Volume Recycled: <i>(m³)</i>	30,000	30,000
Total waste Produced <i>(tons)</i>	3234	Estimated, annual 3000
Total hazardous waste Produced: <i>(tons)</i>	25	25
Waste to Recycling: <i>(tons)</i>	2280	Estimated, annual 2100
Waste to Landfill: <i>(tons)</i>	954	Estimated, annual 900
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	78,000 tons	Estimated, annual 78,000

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The facility implements and maintains systems for delivering compliance to Universal Rights and SEDEX Code. They have their own social compliance policy that covers same elements as in the code.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Company Ethical Code and Business Ethics Policy

Internal procedures for purchase dept., marketing, supplier assessment, equal rights etc.

Documents of internal and external audits, correspondence with suppliers.

Details:

Mr. Amir Kalmar, executive VP, is the facility responsible personal about the Business Ethics Policy.

Facility is in process to develop a new Ethical Code together with its mother company International Beer Breweries Ltd

Ms. Lital Ziv, HR Manager, is a member at the mother company Ethical Board

The facility has a system of detailed ethical procedures. Employees and managers were trained by Human Resource personnel in May 2019. 51 employees working in sensitive positions participated in the training.

Facility received no fines or complaints for any business misconduct.

The facility has anonymous reporting/grievance channels.

The activity of the facility, including business integrity aspects, is annually assessed by external auditors.

Any other comments: None

Status: Compliant

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

None Observed

Objective evidence

observed:

Not Applicable

Local law and/or ETI/Additional Elements requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Observation

Description of observation:

None Observed

Objective evidence

observed:

Not Applicable

Local law or ETI/Additional elements requirement:

Not Applicable

Comments:

Not Applicable

Good examples observed:

Description of Good Example (GE):

None Observed

Objective Evidence

Observed:

Not Applicable

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<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The Business Ethics policy is incorporated in factory Ethical Code. Facility developed a new Ethical Code together with its mother company International Beer Breweries Ltd</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: Last training on Business Ethics was provided in June 2019</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: Included in the ISO 9001 management system</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: Factory uses third part audit companies to assess their activity. Business partners are required to conduct as per ETI Standards, including business ethic</p>

Other findings

Other Findings Outside the Scope of the Code

None Observed

Community Benefits

(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)

Facility supports boarding school for youth in risk "To-Kayer". Facility provides maintain works, educational lessons, monthly events and annual trip to pupils.

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p><input type="checkbox"/> Not Applicable please x</p>	
<p><i>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</i></p>	<p><i>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</i></p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<p>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>ETI 3. Working conditions are safe and hygienic</p>	<p>ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>ETI 4. Child labour shall not be used</p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<p>ETI 5. Living wages are paid</p>	<p>ETI 5. Living wages are paid</p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<p>ETI 6. Working Hours are not excessive</p>	<p>ETI 6. Working Hours are not excessive</p>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> - this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<p>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements. 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation. 8.5 Employment agencies must only supply workers registered with them. 8.6 Workers pay no recruitment fee at any stage of the recruitment process. 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p>8A: Sub-Contracting and Homeworking</p>	<p>8A: Sub-Contracting and Homeworking</p>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client. 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<p>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>ETI 9. No harsh or inhumane treatment is allowed</p>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p>10. Other Issue areas: 10A: Entitlement to Work and Immigration</p>	
<p>Additional Elements 10A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p>10. Other issue areas 10B2: Environment 2-Pillar</p>	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details). 10B4.7 Businesses shall make continuous improvements in their environmental performance. 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance. B4. Guidance for Observations 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

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10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.

Photo Form

Non-Compliances




<p>Photos 1-3. Medicines with expired dates were observed in First Aid kits</p>		




General Photos and Good Examples (GE)

<p>Facility overview</p>	<p>Facility Overview – the main gate</p>	<p>The name board above the the gate</p>
<p>The cargo gate (view from inside the premises)</p>	<p>Fire exit from Energy block with evacuation plan on the door</p>	<p>Typical fire exit from Production department with safety rails</p>

<p>Typical 3/4" fire hose with the nozzle</p>	<p>2" fire hoses were found with valid production dates</p>	<p>Typical fire extinguisher</p>
<p>Automatic fire extinguisher system of the servers' room</p>	<p>Automatic fire extinguisher system of the electrical cabinet</p>	<p>Sprinkler system is installed in each room of the facility</p>
<p>Activators of various alarm and safety systems in the control room of Production department</p>	<p>Fire alarm system</p>	<p>Smoke detectors are installed throughout of the facility</p>

<p>Premises. Pedestrian crossings are well marked</p>	<p>Pedestrian passages are visible marked</p>	<p>Passages in Production are provided with safety rails</p>
<p>Safety rails at premises</p>	<p>Typical aisle in Production</p>	<p>Evacuation plan</p>
<p>Electrical cabinet</p>	<p>Electrical cabinet</p>	<p>First Aid kit</p>

		
<p>GE: electrocardiograph with cell phone connection</p>	<p>Sterile pad with valid date</p>	<p>Anti-bacterial solution with valid date</p>

		
<p>GE: Diphoterine substance for neutralization of chemical burns</p>	<p>GE: modern ceiling fans and thermo-insulation are installed in the production halls</p>	<p>Chemical warehouse</p>

		
<p>MSDS in chemical warehouse</p>	<p>PPE (overall, safety boots) is used</p>	<p>Eye wash station test</p>

<p>Typical drinkable water in Production</p>	<p>Lockers' room of workers</p>	<p>Individual toilet cabin</p>
<p>Washroom of male workers</p>	<p>Canteen. Salads free table</p>	<p>Canteen. Main dishes' post</p>
<p>Kitchen. Food storage area</p>	<p>Kitchen</p>	<p>Notice board for workers</p>

<p>Notice board of Worker Committee</p>	<p>Waste is sorted and send to recycling</p>	<p>GE: The facility uses modern wastewater treatment plant</p>
<p>GE: The wastewater treatment plant produces biogas that used for steam producing</p>	<p>GE: renovation of aerobic tank for wastewater treatment (view from inside)</p>	<p>Electronic clock for work hours' registration</p>

DISCLAIMER:

"This report is for the exclusive use of the client of Intertek named in this report ("**Client**") and is provided pursuant to an agreement for services between Intertek and Client ("**Client Agreement**"). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek's responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek."



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1025871	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1006777
Business name (Company name):	International Beer Breweries Ltd		
Site name:	International Beer Breweries Ltd – Gat Givat Haim Operation		
Site address: <i>(Please include full address)</i>	Givat Haim , M. P. Hefer 3898300	Country:	Israel
Site contact and job title:	Mr. Kobi Hayoun / QA Manager		
Site phone:	+972-4-6368930	Site e-mail:	kobih@gat.co.il
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	04 & 05 November 2019		

Audit Company Name & Logo: 	Report Owner (payer): International Beer Breweries Ltd
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Roman Baskin, Social Auditor

Team auditor: Roy Gluzman, Social Auditor

Interviewers: Roy Gluzman, Roman Baskin

Report writer: Roman Baskin

Report reviewer: Rama S (Report Reviewer)

Date of declaration: 05/11/19

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:45 Day 1 Time out: 16:45	Day 2 Time in: 09:15 Day 2 Time out: 15:15	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	2.5 Man-days (1 day X 2 auditors + 0.5 day X 1 auditor)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi - announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Kobi Hayoun / QA Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	4 & 5 February 2018		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	Not Applicable		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No Labour union representative was presented at the facility in the day of the audit		

Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90,180,365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
3.1 Health & Safety	New	During the tour it was noted that a part of medicines in First Aid kits was expired	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: internal policy was not followed	It is recommended to keep all medicines in First Aid kits within validation	30 days	Desktop Review	Mr. Kobi Hayoun, QA Manager		
3.2 Health & Safety	New	During the management and workers interviews and document review it was noted that the facility organized evacuation drill only for one shift in the last year	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: internal policy was not followed	It is recommended to organize evacuation drills for all employees at least annually.	30 days	Desktop Review	Mr. Kobi Hayoun, QA Manager		

Corrective Action Plan – Observations


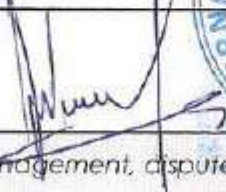
Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
		None Observed		

Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
0.B Management Systems	Facility has online training centre for employees. The employees are required to go through exams for assessment of the trainings' effectiveness	Observed during documents' review and stated during interviews with workers and the management
2.0 Freedom of Association	The Labour Union Committee acts at the facility many years. Elections are organized regularly with no the management influence. Collective Bargain Agreement (CBA) between the workers committee and the management acts at the facility. The members of labour committee is provided with time for their activities.	Reported on interviews with members of Labour Committee
3.0 Health & Safety	Facility has defibrillator and electrocardiograph and they are available in the premises. The defibrillator is required by local legislation only in places that accommodate more than 500 persons.	Noticed during tour. Please refer to Photo Segment
3.0 Health & Safety	The factory is provided with special equipment and Diphoterine substance for neutralization of chemical burns, if any.	Observed during facility tour

3.0 Health & Safety	New modern ceiling fans and thermo-insulation are installed in the production halls.	Observed during facility tour
5.0 Wage & Benefits	Employees receive gifts to Jewish New Year, Passover and other holidays	Noted during interviews and documents review
5.0 Wage & Benefits	The facility granted gifts for special events and holidays: wedding of employees and their children to birthdays of employees, birth of a child etc.	Noted during interviews and documents review
5.0 Wage & Benefits	Employees in all shifts are provided with subsidized meal.	Noted during interviews and documents review
5.0 Wage & Benefits	Employees after one-year experience are granted by opening of education fund	Noted during interviews and documents review
5.0 Wage & Benefits	The facility together with the labour committee organizes corporative events, including weekends in resort of Red, Dead or Tiberius Seas	Noted during the interview
10B. Environment	The facility uses modern wastewater treatment plant. The most wastewater is return to water agricultural fields	Observed during facility tour and noted during the interviews. Please refer to Photo Segment
10B. Environment	The wastewater treatment plant produces biogas that used for steam producing. The facility covers about 20% of their needs in steam by burning of the biogas.	Observed during facility tour and noted during the interviews. Please refer to Photo Segment

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:		Title Date: 05/11/19
B: Auditor Signature:		Title: Lead Auditor Date: 05/11/19
<p>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</p>		
<p>D: I dispute the following numbered non-compliances: None</p>		
E: Signed: (if any entry in box D, please complete a signature on this line)		Title Date: 05/11/19
<p>F: Any other site Comments: None</p>		

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a "root cause"

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.

Disclaimer:

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP. Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



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You can leave feedback by following the appropriate link to our questionnaire:

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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d

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